

In re **International Heritage, Inc.**  
**56-1921093**

Case No. **98-02675-5-ATS****FILED****SCHEDULE B - PERSONAL PROPERTY**

PEGGY B. DEANS, CLERK  
 U.S. BANKRUPTCY COURT  
 EASTERN DISTRICT OF N.C.

TYPE OF PROPERTY	NONE	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT OR COMMUNITY	CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
1. Cash on hand	X			
2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives.		<b>Wood &amp; Francis Trust Account; Balance remaining on Certificate of Deposits with Centura, Chittendon and Electronic Card Services for credit card merchant account reserve. See Exhibit B2 Attachment.</b>		<b>216,573.65app.</b>
3. Security deposits with public utilities, telephone companies, landlords, and others.		<b>See Exhibit B3 Attachment.</b>  <b>Amount still held by Lloyd Whittaker (Monitor), Balance unknown.</b>		<b>172,795.99</b>
4. Household goods and furnishings, including audio, video, and computer equipment.	X			
5. Books, pictures and other art objects, antiques, stamp, coin, record, tape, compact disc, and other collections or collectibles.	X			
6. Wearing apparel.	X			
7. Furs and jewelry.	X			
8. Firearms and sports, photographic, and other hobby equipment.	X			
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.		<b>Directors &amp; officers policy through TIG Insurance. Value represents unused pre-paid premium.</b>		<b>40,000.00</b>
10. Annuities. Itemize and name each issuer.	X			
11. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Itemize.	X			
12. Stock and interests in incorporated and unincorporated businesses. Itemize.		<b>International Heritage of Canada, Inc. is a wholly owned subsidiary of International Heritage, Inc.</b>		<b>0.00</b>

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(Continuation Sheet)

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13. Interests in partnerships or joint ventures itemize.		<b>None</b>		<b>0.00</b>
14. Government and corporate bonds and other negotiable and nonnegotiable instruments.		<b>Some bonds were established however, we believe the premiums were unpaid and the bonds expired with no remaining cash value. See Exhibit B14 Attachment.</b>		<b>0.00</b>
15. Accounts receivable.		<b>See Exhibit B15 Attachment.</b>		<b>1,118,244.40</b>
16. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.	<b>X</b>			
17. Other liquidated debts owing debtor including tax refunds. Give particulars.		<b>State sales tax refunds. See Exhibit B17 Attachment.</b>		<b>unknown</b>
18. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule of Real Property.	<b>X</b>			
19. Contingent and non-contingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	<b>X</b>			
20. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.		<b>See Exhibit B20 Attachment.</b>		<b>3,375,000.00app.</b>
21. Patents, copyrights, and other intellectual property. Give particulars.		<b>See Question B21 Attachment.</b>		<b>100,000.00</b>
22. Licenses, franchises, and other general intangibles. Give particulars.		<b>20/21 Software License. See Schedule G Attachment.</b>		<b>500,000.00</b>
23. Automobiles, trucks, trailers, and other vehicles.		<b>Ford van (leased) Mr. Van Etten's BMW (leased)</b>		<b>0.00</b>
24. Boats, motors, and accessories.	<b>X</b>			
25. Aircraft and accessories.	<b>X</b>			

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26. Office equipment, furnishings, and supplies.		<b>See Exhibit B26 Attachment.</b>		<b>136,795.11app.</b>
27. Machinery, fixtures, equipment and supplies used in business.	<b>X</b>			
28. Inventory.	<b>X</b>			
29. Animals.	<b>X</b>			
30. Crops - growing or harvested. Give particulars.	<b>X</b>			
31. Farming equipment and implements.	<b>X</b>			
32. Farm supplies, chemicals, and feed.	<b>X</b>			
33. Other personal property of any kind not already listed. Itemize.		<b>See Exhibit B33 Attachment.</b>		<b>3,500,000.00</b>
Total ➤				<b>\$5,431,040.39</b>

**EXHIBIT B20**

The following is a list of contingent and unliquidated claims:

<b><u>Claim</u></b>	<b><u>Value</u></b>
1. Overpayment to the IRS	\$60,000.00 approx.
2. Bond with Court in Unique Opportunities Civil Action	\$5,000.00
3. Claims for Breach of Fiduciary Duty, etc. against O. Kenneth Rudd, III and New Vision International	\$1,000,000.00
4. Deposit at Kenco Company for specific purchase orders that they applied to other invoices	\$60,000.00
5. Executive Risk directors & officers policy - unpaid attorney fees	\$1,000,000.00 approx.
6. Potential slander case against WRAL	\$500,000.00
7. Potential case against Clark Howard, a radio newsreporter in Atlanta	\$500,000.00
8. Uncollected balance from embezzlement	\$250,000.00
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Total	= \$3,375,000.00

**EXHIBIT B2**

<b><u>Account</u></b>	<b><u>Amount</u></b>
1. Wood & Francis Trust Account	\$11,573.65
2. Balance remaining on Certificate of Deposits with Centura for credit card merchant account reserve.	\$10,000.00 approx.
3. Balance remaining at Chittenden for credit card merchant account reserve.	\$120,000.00 approx.
4. Balance remaining at Electronic Card Services (ECS) for credit card merchant account reserve.	\$750,000.00 approx.

**EXHIBIT B3**

<b><u>Deposits</u></b>	<b><u>Amount</u></b>
1. Coeco Office Systems (for office equipment)	\$3,281.76
2. Oklahoma Sales Tax App. (for bond)	\$500.00
3. Spectrum Properties (security deposit)	\$11,093.83
4. Block & Associates Realty (security deposit - C. Reid's house rental)	\$2,900.00
5. SFBC One Associates (security deposit)	\$24,665.40
6. Skytel (deposit for pagers)	\$200.00
7. WorldCom Technologies (security deposit)	\$7,100.00
8. Ritz Carlton	\$8,000.00
9. Mountaineer Archery (product deposit)	\$115,000.00
10. PSNC (deposit for gas utility for Spring Forest office)	\$55.00
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Total	= \$172,795.99

**EXHIBIT B15****Accounts Receivables**

<u>Description</u>	<u>IHI-US YTD 1998</u>	<u>IHI-CN (US\$) Combined Balance</u>	<u>Consolidation Entries</u>	<u>IHI Consolidated Balance</u>
1. A/R - Sales Reps	577,391.35	41,577.59	0.00	618,968.94
2. Allowance for Doubtful Accounts	(80,365.30)	(5,761.13)	0.00	(86,126.43)
3. Accrued Interest Receivable	23,107.59	0.00	0.00	23,107.59
4. Checkcare Receivable	0.00	0.00	0.00	0.00
5. Sales Tax Refunds Due Us	0.00	0.00	0.00	0.00
6. Employee Receivable	55,162.85	383.76	0.00	55,546.61
7. Employee Healthcare Receivable	(9,101.48)	0.00	0.00	(9,101.48)
8. Credit Card Receivable from Unified	21,532.81	0.00	0.00	21,532.81
9. Credit Card Receivable from Centura	0.00	0.00	0.00	0.00
10. Credit Card Receivable from Chittenden	0.00	0.00	0.00	0.00

11. Credit Card Receivable from First Union	0.00	0.00	0.00	0.00
12. Other Receivables	344,316.38	0.00	0.00	344,316.38
13. Due from Placement Agent	0.00	0.00	0.00	0.00
14. Credit Card Receivable	0.00	0.00	0.00	0.00
15. Credit Card * Receivable	0.00	0.00	0.00	\$150,000.00
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Total Accounts Receivable	932,044.20	36,200.22	0.00	1,118,244.42

\* Credit card charges sent to Ed Harvey at EBH Distributions for processing.



**EXHIBIT B17****Sales Tax refunds due International Heritage**

In the periods prior to 4/97, it was discovered that gross sales for the below listed states were inaccurately calculated (overstated) and filed. Therefore, too much tax was remitted. Amended returns were filed and requests for refunds were sent.

Connecticut	53.18
District of Columbia	30.44
Florida	100.75
Iowa	439.74
Kansas	166.18
Louisiana	3,559.64
Maryland	96.98
Michigan	181.44
Minnesota	4.68
Missouri	5.61
North Carolina	21,143.71
Nebraska	59.70
New Jersey	57.00
New York	102.87
Tennessee	16.69
Texas	200.64
Washington	12,227.62
Wisconsin	51.01
West Virginia	.05
Total	38,497.93

**EXHIBIT B21**

Registration of Service Mark - IHI  
August 7, 1996, NC Secretary of State

Registration of Trademark - IHI (with regard to class 21, 39 and 28 goods)  
October 30, 1996, NC Secretary of State:

Registration of Trademarks  
December 16, 1997, U.S. Patent & Trademark Office:  
IHI INTERNATIONAL INCORPORATED & design  
IHI and design

INTERNATIONAL HERITAGE, INC.  
REMAINING ASSETS STORED AT WICKER WAREHOUSE

Units	Item	Ext IHI Cost	Ext FMV
1	Mahogany 36 X 36 bookcase - 3 shelves	325.00	160.00
1	Mobile Computer Cart Brown Wood	175.00	60.00
1	Mahogany Bookcase - 5 shelves	315.00	155.00
13	30 X 60 Mahogany Exec. Desks	8515.00	4225.00
5	36 X 72 Executive Desks Mahogany	4025.00	2000.00
1	29 X 60 Executive Desk Mahogany	740.00	370.00
11	Right Mahogany Returns	0.00	0.00
6	Left Mahogany Returns	0.00	0.00
21	Black Task Chair	5668.95	2835.00
18	Blue Task Chair	4842.00	2430.00
3	Burgandy Task Chairs	555.00	240.00
5	Stackable Chairs - Grey	170.00	75.00
4	Side Chair - Mahogany	679.80	340.00
6	Green Desk 72 X 30	2550.00	1200.00
16	Green Desk 66 X 30	6400.00	2800.00
1	Green Desk Right Return	359.00	175.00
7	Green Desk Hutch 72 X 30	2506.00	1225.00
16	Green Desk Hutch 66 X 30	5312.00	2400.00
1	20 X 36 Adjustable Rolling Table	150.00	75.00
1	42 X 18 2-Drawer Laterfile Filing Cabinet	249.95	125.00
38	3 Drawer Grey Workstation Pedestals	3610.00	1710.00
28	30 X 60 Gray Desks	4396.00	2240.00
28	30 X 42 Gray Desks	3920.00	1960.00
1	18 X 36 Lateral Gray File Cabinet	90.00	45.00
4	36 X 72 Mailroom Table (2 pieces)	0.00	1000.00
1	36 X 72 Folding Table - Walnut	56.00	28.00
1	30 X 72 Folding Table - Walnut	44.00	22.00
1	24 X 60 Folding Table - Walnut	56.00	28.00
12	Bevis 48 X 60 Panels - Charcoal	2040.00	1020.00
12	Bevis 48 X 42 Panesl - Charcoal	1620.00	780.00
10	Bevis Connectors	400.00	150.00
1	5 Drawer Filing Cabinet - Black	595.95	300.00
10	Side Chairs - Miscellaneous	1699.50	850.00
1	4 Drawer Lateral File Cabinet	399.00	200.00
8	Grey Task Chairs (Low Back)	1512.00	760.00
1	Storage Cabinet 72"	170.00	85.00
4	24 X 60 Grey Desks	560.00	280.00
20	Cash Registers	5000.00	2500.00
592	Cases (36 boxes @ 10.25 each) Tyra Travel	218448.00	44400.00
40	Cases (60 @ 10.50 each) Daily Advantage	25200.00	6000.00
1	ADIX 450 (telephone system)	125000.00	15000.00
6	HP 120 Computer w/kbd,mouse,surge,monitor	10387.92	2400.00
1	P 75 Computer nw/kbd,mouse,surge,monitor	0.00	250.00
9	Keyboards	675.00	225.00
1	Epson Dot Matrix Printer	0.00	200.00
1	HP Laserjet 4M	1095.00	550.00
1	HP Laserjet 5N	1733.00	1040.00
3	Label Writers	300.00	225.00
	Misc. Office Supplies	0.00	1000.00
355	Travel Mugs - item 3090	578.65	\$ 578.65
46	Insulated Mugs - item 3092	34.50	\$ 34.50
84	Golf Towels - item 3088	315.00	\$ 315.00

INTERNATIONAL HERITAGE, INC.  
REMAINING ASSETS STORED AT WICKER WAREHOUSE

96	Leather Luggage Tags - item 3053	720.00	\$ 720.00
35	Golf Divot Tools - item 3079	109.55	\$ 109.55
25	Divot Repair Tools - item 3078	125.00	\$ 25.00
55	PGA Repair Tools - item 3077	852.50	\$ 852.50
7	Bag Tag - item 3076	21.91	\$ 21.91

<b>Totals</b>	<b>455302.18</b>	<b>108795.11</b>
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The above represents assets stored at the Wicker Warehouse. The following is a list of remaining office equipment:

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|---|--------------------|
| 1. K220 Server at Glenwood office for<br>bankruptcy information retrieval                 | \$20,000.00        |
| 2. 4-stack CD server at Glenwood office for<br>bankruptcy information retrieval           | \$2,000.00         |
| 3. Postage meter at Printing Plus with metered<br>postage accessible through Pitney Bowes | \$6,000.00 approx. |

Wicker Warehouse total	+ \$108,795.11
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Total	= \$136,795.11
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**EXHIBIT B33**

Mr. Stanley Van Etten provided a \$5.0 million bond in the action brought by the SEC. Mr. Van Etten was given a secured promissory note by the company on May 18, 1998 for \$5.0 million. A total of \$1.5 million was released to the company by the court and Mr. Van Etten, and the remaining \$3.5 million was used to secure a conventional \$5.0 million bond. Mr. Van Etten allowed the \$1.5 million to be used by the company for operations and converted options to stock for the total of \$1.5 million. A total of \$3.5 million is still held as security for the bond. The Debtor has a right to the funds, to the extent they are not used to satisfy any claim of the SEC. Mr. Van Etten claims a lien on the funds at a minimum and may even claim outright ownership of the funds if they are released by the SEC.